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C O N F I D E N T I A L SECTION 01 OF 03 KUWAIT 000026

SIPDIS

DEPARTMENT FOR NEA/ARP, NEA/IPA, NEA/RA

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TAGS: PREL KPAL PTER EAID ECON PHUM KU

SUBJECT: OVERVIEW WITH MFA U/S ON JCSE, GAZA, ARAB ECONOMIC

SUMMIT, LET

REF: A. STATE 736

1B. STATE 732

¶C. 08 STATE 135559

¶D. KUWAIT 10

Classified By: Econcouns Oliver John for reasons 1.4 (b) and (d)

11. (C) Summary: On January 9, Ambassador briefed MFA U/S Khaled Al Jarallah on the Embassy,s upcoming Joint Combined Security Exercise. She also discussed the ongoing crisis in Gaza and urged GoK support for both UNRWA and the PA. Jarallah raised his concern that if the Gaza "disaster" continued, it would be very difficult for Arab governments to control public reactions. With regard to the January 5 visit of the Iranian Vice President for Executive Affairs, Jarallah remarked somewhat wryly that the envoy had come to urge a common position on Gaza. On Iraq, Jarallah said Kuwait,s Ambassador was making good contacts within the GoI, but noted that border crossing problems continued to slow trade. He expressed his hope that the Gaza situation would not distract from the important economic issues that needed to be discussed at the January 19-20 Arab Economic Summit in Kuwait. Ambassador reiterated our concerns about RIHS, especially in light of evidence tying Lashkar e Taiba to the Mumbai attacks and our information that RIHS may have provided funding for LeT. End summary.

Joint Combined Security Exercise

12. (SBU) Ambassador called on Jarallah to brief him specifically on the Embassy,s major Joint Combined Security Exercise, which would be taking place from January 8 to January 21. She explained the particulars of the exercise and emphasized that it provided key training, not just for USG personnel, but for the Kuwaiti National Guard forces, which provided Embassy security. She also explained that the Embassy had significantly scaled back the exercise in response to GoK concerns with regard to its possible impact on the Arab Economic Summit staged literally next door at the Bayan Palace. Jarallah said he understood the need for the training and) with the proviso that it would not impact on the Arab Economic Summit) gave it his support. (Note: The MFA had previously asked that the training be postponed in light of the Arab Economic Summit, but that would have been almost impossible given the logistics involved. End Note.)

Gaza

13. (SBU) Jarallah expressed his deep concern about the situation in Gaza noting that, whatever the goals, "killing women and children and destroying infrastructure" would not further the cause of peace. In response, Ambassador stressed the U.S. commitment to ending the violence in southern Israel

and Gaza and our efforts to construct a sustainable cease fire. She explained Secretary Rice's active work on the issue, both with the Israelis and with key Arab leaders. Recognizing the humanitarian tragedy, we still needed to work for a comprehensive and durable ceasefire that would ensure the safety of civilians over the long term. She also pushed the GoK to provide additional support to UNRWA and to the Palestinian Authority, noting the strong level of U.S. support.

¶4. (C) Jarallah called what was happening in Gaza "a disaster" and expressed concern that if it continued it would be difficult to control the reaction of the public in countries such as Egypt, Jordan or even Kuwait. He noted the surprisingly strong statements of Saudi FM Saud Al-Faisal on the crisis. He expressed his hope that a UNSC resolution would be voted on shortly. He asked whether Ambassador had further information on the Egyptian cease-fire proposal, especially whether international observers or allowing refugees into Egypt would play a role. He suggested that the GoE was working to pressure Hamas to accept a cease-fire, but noted that it would be difficult for Hamas to accept international observers, given their goal of "resistance."

Iran

15. (C) Ambassador asked about the January 5 visit of Iranian Vice President for Executive Affairs Ali Saidlu to Kuwait. Jarallah downplayed the visit, noting sardonically that the Iranians had around 10 Vice Presidents. He explained that Saidlu had "come to talk about Gaza" and to stress the need

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for cooperation among Islamic countries to stop the killing. He added that Saidlu did not specifically talk about supporting Hamas, but it was clear that this was the Iranian agenda.

Iraq

16. (C) Ambassador asked Jarallah whether Kuwait had seen any progress in relations with Iraq now that it had Ambassador Ali Al-Mu'min "on the ground." Jarallah praised Mu'Min's contacts, adding that he had just talked to him the day before to discuss continuing delays at the border crossing. He explained that there were 1000-1200 trucks attempting to cross the border from Kuwait into Iraq on a daily basis, and that the Iraqis would process, at most, 200-300. He complained it was impossible to reach anyone in the GoI to try and resolve the issue adding "they don't care."

Arab Economic Summit

17. (SBU) Ambassador asked Jarallah to articulate Kuwaiti objectives for the January 19-20 Arab Economic Summit. Jarallah explained that the goal was to have Arab leaders hold a serious discussion on economic issues that produced concrete solutions for the Arab people, adding his strong hope that the Gaza crisis would not detract too much from the very serious economic crisis being faced. There had been no concrete results from previous summits, he added, "just talking." He acknowledged the challenges, but expressed his hope that something positive would result from the summit. Jarallah indicated that, to date, the GoK was anticipating high level attendance from invited countries, although Libya,s Ghadafi remained undecided. (Note: There are now rumors that, in response to Qatari Amir Hamad Al-Thani,s call, a separate summit session will deal exclusively with the Gaza crisis. End Note.)

Dow Chemical

18. (SBU) Ambassador expressed her deep disappointment in the collapse of the K-Dow joint venture, noting the need for Kuwait and the U.S. to expand their partnership beyond its strong military foundations in ways that also addressed Kuwait,s need to diversify beyond its single commodity economy. The K-Dow deal had included an R&D center that would have promoted such diversification. Jarallah agreed, noting that Kuwait was paying a high price for "shouting people," i.e., tribal parliamentarians, who did not have Kuwait's best interest at heart.

Defense Cooperation Agreement

 $\P9$. (C) Ambassador briefly noted that the ten year term of the existing U.S. Kuwaiti Defense Cooperation Agreement would end in 2011, concurrently with the U.S.) Iraq SOFA, and would need to be renegotiated. She commented that the Embassy had clearly heard the sentiments of the Kuwaiti Chief of Staff to visiting ARCENT Commander North that he expected the U.S. to draw down its presence. Ambassador noted that it would be important to start reviewing our mutual interests at the appropriate time. Jarallah expressed his view that the U.S. and the Kuwaitis continued to face common regional challenges, specifically citing Iran. He noted that there would need to be serious coordinated action (USG and GCC) to face that challenge: &The same challenges remain, the cooperation must remain.8 He agreed that while it was too early to start renegotiating the DCA, it was important to start thinking about it.

RIHS

110. (C) In closing, Ambassador raised our concerns about the apparent role of Lashkar e Taiba (LeT) in the attacks on Mumbai and reiterated USG concerns on Revival of Islamic Heritage Society (RIHS) funding for LeT, as referred to in the USG designation of RIHS as a terrorism supporter; Kuwaiti nationals had been caught in these attacks underscoring the fact that terror knows no boundaries. Jarallah agreed in principle but offered no other comment. (Note: Just prior to this meeting, the U/S had been handed an evidentiary package concerning the Mumbai attacks by India,s Charg d,Affaires. End Note.)

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